

Message Text

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PAGE 01 STATE 018397
ORIGIN EUR-12

INFO OCT-01 ISO-00 /013 R

66011
DRAFTED BY:EUR/RPE:RSGELBARD
APPROVED BY:EUR/RPE:RSGELBARD
-----115343 241751Z /43
R 240723Z JAN 78
FM SECSTATE WASHDC
TO AMEMBASSY COPENHAGEN

C O N F I D E N T I A L STATE 018397

FOLLOWING REPEAT TOKYO 01045 SENT ACTION SECSTATE PRETORIA LUSAKA
BRUSSELS PARIS CAPE TOWN JOHANNESBURG GENEVA USUN NEW YORK
JAN 21.
QUOTE C O N F I D E N T I A L TOKYO 1045

USEEC

USOECD

E.O. 11652: GDS
TAGS: EINV, ELAB, PFOR, OECD, EED, SF, SZ, JA
SUBJECT: U.S. PROPOSAL FOR COMMON CODE FOR FIRMS OPERATING IN SOUTH
AFRICA

REF: A) STATE 281210, B) STATE 4226

1. SUMMARY: EMBOFF CALLED ON FOREIGN MINISTRY OFFICIALS AS REQUESTED
REFTELS. GOJ COULD ACCEPT CONCEPT OF A COMMON CODE OR GUIDELINES,
BUT HAS NOT TAKEN POSITION. GOJ HAS RESERVATIONS ON EC MANDATORY
REPORTING REQUIREMENTS AND PAYMENT DEFINITIONS. GOJ DOES NOT
BELIEVE OECD IS PROPER FORUM FOR CODE DISCUSSIONS. END SUMMARY.

2. USING INFORMATION CONTAINED REFTELS AS GUIDE, EMBOFF CALLED ON
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DEPUTY DIRECTOR KUNIEDA OF THE AFRICA DIVISION AND T. OZAWA OF THE
SECOND INTERNATIONAL DIVISION OF THE FOREIGN MINISTRY TO GET GOJ
VIEW OF U.S. PROPOSAL FOR COMMON CODE OR GUIDELINES FOR COMPANIES
OPERATING IN SOUTH AFRICA.

3. THE GOJ, THEY SAID, HAS A POLICY OF DISCOURAGING DIRECT
INVESTMENT IN SOUTH AFRICA (SA). EVEN SO, THERE ARE ABOUT 70

JAPANESE FIRMS WITH REPRESENTATIVES THERE, MOST VERY SMALL WITH ONLY 2 OR 3 JAPANESE CITIZENS EACH. ALL ARE 100 PERCENT CAPITALIZED BY SA MONEY.

4. THE GOJ IS FORMLY AGAINST APARTHEID, THEY SAID, AND COULD ACCEPT THE CONCEPT OF A COMMON CODE OR GUIDELINES, BUT HAS TAKEN NO DEFINITE POSITION ON THE MATTER AT THIS TIME. EXCEPT FOR BRIEF DISCUSSIONS IN NOVEMBER WHEN THE IDEA OF A COMMON CODE WAS BROOCHED IN THE OECD, THE GOJ HAS NOT FOCUSED ON THE PROBLEM.

5. IN NOVEMBER THE MINISTRIES WITHIN THE GOJ TENTATIVELY AGREED THAT A CODE, IF ADOPTED, SHOULD PROBABLY BE INITIATED BY THE COMPANIES OPERATING IN SA AND NOT BY THEIR GOVERNMENTS. THE GOJ HAS SOME RESERVATIONS ABOUT THE EC CODE'S MANDATORY REPORTING PROVISIONS AND ITS USE OF THE PHRASE "MINIMUM STANDARD LEVEL OF PAYMENT (OF WAGES), PLUS 50 PERCENT." SPECIFICALLY

, THEY QUESTION THE DEFINITION OF "MINIMUM STANDARD LEVEL OF PAYMENT." THEY ALSO QUESTION THE ADVISABILITY OF ATTEMPTING TO DEVISE A CODE IF IT MIGHT FALL SHORT OF THE EC CODE AND FEAR THE CONSEQUENCES IF THAT SHOULD HAPPEN.

6. THE GOJ DOES NOT FEEL THE OECD IS THE PROPER FORUM FOR DISCUSSIONS OF A CODE, BUT DECLINED TO SUGGEST AN ALTERNATIVE. HOWEVER, THEY DO NOT WANT TO CLOSE THE DOOR ON CODE OR CONFIDENTIAL

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GUIDELINE CONSIDERATIONS IN OECD OR ELSEWHERE.
MANSFIELD UNQUOTE VANCE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, BUSINESS FIRMS
Control Number: n/a
Copy: SINGLE
Draft Date: 24 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE018397
Document Source: CORE
Document Unique ID: 00
Drafter: EUR/RPE:RSGELBARD
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780035-0849
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780128/aaaaaxrf.tel
Line Count: 96
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 27e1a1e0-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 STATE 281210, 78 STATE 4226
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 25 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3722539
Secure: OPEN
Status: NATIVE
Subject: U.S. PROPOSAL FOR COMMON CODE FOR FIRMS OPERATING IN SOUTH AFRICA
TAGS: EINV, ELAB, PFOR, SF, SZ, JA, OECD, EEC
To: COPENHAGEN USEEC
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/27e1a1e0-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014